EMAKHAZENI LOCAL MUNICIPALITY

FINANCIAL STATEMENTS

30 JUNE 2008

I am responsible for the preparation of these financial statements, which are set out on pages 1 to 26, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.These financial statements have not been audited

I certify that the salaries, allowances and benefits of Councilors as disclosed in note 12 & 13 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Revenue of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with the Act.

_____ _____

Municipal Manager Date

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GENERAL INFORMATION

MEMBERS OF THE EXECUTIVE MAYORAL COMMITTEE

Ms. L. Mohlala:	Chairperson Finance Portfolio
Mr. A.M. Mbethe:	Chairperson Technical Services
Ms. C. Motau:	Chairperson Corporate Services

GRADING OF LOCAL AUTHORITY

Grade	2

AUDITORS

Auditor-General	Nelspruit Office

BANKERS

First National bank
620 281 95510
Belfast, 1100

REGISTERED OFFICE

25 Scheepers Street Belfast, 1100	PO Box 17 Belfast, 1100 (013) 253 1121

MUNICIPAL MANAGER

O.N Nkosi

CHIEF FINANCIAL OFFICER

B.L Mahlangu
IMFO LICENCE

COUNCIL MEMBERS

Councillor	Ward	Designation	
Ms. L. Mohlala	1	Executive Mayor	PR Member
Mr. X.S Ngwenya	6	Speaker	Ward Member
Mr. L.S. Meyer	1	Member	PR Member
Mr. F.G. Sibanyoni	1	Member	Ward Member
Ms. A.A. Botha	7	Member	PR Member
Ms. N.A. Mashele	5	Member	Ward Member
Mr. J.M. Mabila	2	Member	Ward Member
Ms. E.S. Radebe	3	Member	Ward Member
Ms. T.I. Soko	4	Member	Ward Member
Mr. M.U. Hadebe	4	Member	PR Member
Mr. T.E. Mahlangu	6	Member	PR Member
Mr. A.M. Mbethe	7	Member of Mayoral Committee	Ward Member
Ms. C. Motau	3	Member of Mayoral Committee	PR Member

APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 13 to 26 were received by the Municipal Manager on 28 August 2008 and will be presented to and approved by the Council.

MUNICIPAL MANAGER

FOREWORD BY HER WORSHIP THE MAYOR

MAYOR

ACCOUNTING POLICIES

1 BASIS OF PRESENTATION

1.11 The annual financial statements have been prepared so as to confirm with the standards laid down by the Institute for Municipal Financial Officers in the Code of Practice (1997) and the Report of Annual Financial Statements (2nd edition, January 1996)

1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets expenditure as more fully detailed in note 2. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.

1.3 The financial statements are prepared on the accrual basis:

- income is accrued when collectable and measurable levy income is accrued when received
- expenditure is accrued in the year it is incurred

2 FIXED ASSETS

2.1 Fixed Assets are stated:

- at historical cost, or
- at valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation whilst they are in existence and fit for use.

2.2 Depreciation

The balance shown against the heading "loans redeemed and other capital receipts" in the notes to the balance sheet is tantamout to a provision for depreciation, however, certain structural differences do exist. By way of the "provision" assets are written down over their estimated useful life. Apart from advances from the various Council Funds assets may also be acquired through:

- Appropriations from income, where the full cost of the asset forms an immediate and direct charge against the operating income and it is therefore unnecessary to make any further provision for depreciation.
- Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "loans redeemed and other capital receipts" account.

2.3 Sale of fixed property

All net proceeds from the sale of fixed property are credited to the Land Trust Fund.
Net proceeds from the sale of all other assets are credited to the Capital Development Fund.

2.4 Financing

Fixed assets are financed from different sources including external loans, operating income, endowments and internal advances.
These loans and advances are repaid within the estimated lives of the assets acquired from such loans and advances. Interest is charged to the services concerned at the ruling interest rate applicable at the time the advance is made.

3 FUNDS AND RESERVES

3.1 Consolidated Capital Development Fund

The Local Authorities Capital Development Fund Ordinance Number 9 of 1978 requires a minimum contribution of 1% of the defined revenue of the council for the immediate preceding financial year. The council's contribution to the Capital Development Fund for the financial year 2006/2007 amounted to R 15 766.

ACCOUNTING POLICIES

4 SURPLUSES AND DEFICITS

Any surpluses or deficits arising from the operation of each service are retained in that service for its own use.

5 TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The cost of internal support services is transferred to the various services.

6 LEASED ASSETS

Fixed assets held under finance leases are capitalized. Such assets are effectively amortised over the term of the lease agreement.

- Lease finance charges are allocated to the accounting periods over the duration of the leases, by the effective interest rate method, which reflects the extent and cost of lease finance utilised in each accounting period.
- All other leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner relating to the period of use of the assets concerned.

7 INVESTMENTS

Investments are shown at a lower of cost or market value if a permanent decline in the value occurred and funds are invested in accordance with Section 125 of the Local Authorities Ordinance 1974 (No. 25 of 1974)

8 INCOME RECOGNITION

8.1 Water Billing

Meters are read on a monthly basis and billed accordingly after the monthly levy run.

8.1 Assessment Rates

General rates are levied based on the property value.
Rebates are granted to State owned property.

1. OPERATING RESULTS

Details of the operating results per department, classification and object of expenditure are included in Appendices D and E. The overall operating results for the year ended 30 June 2008 are as follows:

INCOME	ACTUAL		VARIANCE
	2007	2008	2007/2008
	R	R	%
Unappropriated Surplus - beginning of year	22 928 554.21	19 483 636.57	-15.02%
Operating (Deficit)/Surplus for the year	-3 444 917.00	-1 631 957.33	-53%
Unappropriated Surplus - end of year	19 483 637.21	17 851 679.24	-8.4%

DETAILED INCOME STATEMENT ANALYSIS APPENDIX E	ACTUAL INCOME	ACTUAL EXPENDITURE	SURPLUS/ (DEFICIT)	BUDGET SURPLUS/ (DEFICIT)	NETT MOVEMENT ON BUDGET
	2007/8	2007/8	2007/8	2007/8	2007/8
	R	R	R	R	R
RATES & GENERAL SERVICES	40 969 402.98	47 038 928.91	-6 069 525.93	-7 278 297.00	-1 208 771.07
TRADING SERVICES	20 964 830.13	14 695 107.43	6 269 722.70	7 278 297.00	1 008 574.30
TOTAL	61 934 233.11	61 734 036.34	200 196.77	0.00	-200 196.77

ANALYSIS OF OPERATING INCOME AND EXPENDITURE APPENDIX D	ACTUAL 2007/8	BUDGET 2007/8	VARIANCE %
INCOME	61 934 233.08	72 827 046.00	85.04
EXPENDITURE	61 734 036.34	72 827 046.00	84.77

2. CAPITAL EXPENDITURE

Capital Expenditure on fixed assets during the year amounted to R8 552 119 (R8 770 550: 2007)

	ACTUAL 2007/8 R	BUDGET 2007/8 R	ACTUAL 2006/7 R	VARIANCE BUDGET/ACTUAL
Capital Expenditure	8 552 119	5 527 317	8 770 550	-55%
	8 552 119	**5 527 317**	**8 770 550**	

The resources used to finance the fixed assets were as follows:

	ACTUAL 2007/8 R	BUDGET 2007/8 R	ACTUAL 2006/7 R	VARIANCE BUDGET/ACTUAL
Contribution from Income	2 306 016	4 846 400	1 349 372	-55%
Loans	559 100	0	3 234 544	
Donations	5 687 002	680 917	4 186 634	
	8 552 118	**5 527 317**	**8 770 550**	

3. EXTERNAL LOANS, INVESTMENTS AND CASH

External loans outstanding amounted to R2 432 949 (VAT excl) as at 30 June 2008 (R3 182 403 in 2007) as set out in Appendix B. New loan from Wesbank were taken up as per Appendix B.

Grants and Subsidies totaling R15 960 545 (R18 829 178.00 in 2006) were received during the year.

Investments on 30 June 2008 amounted to R835 478 (R2 299 663 in 2006). Investments were reduced by R 1 464 185

More information regarding loans and investments is disclosed in notes 5 as well as Appendix B to the financial statements.

4. FUNDS AND RESERVES

More information regarding the funds and reserves is disclosed in notes 1 and 2 as well as Appendix A to the financial statements.

5. PROVISIONS

The following provisions were increased in the 2007/08 financial year.

	2006/2007	2007/2008	Nett Increase
Provision Leave Pay :	R 1 679 696	R 1 815 109	R 135 413
Provision for Bad Debts :	R 15 023 150	R 15 866 279	R 843 129

6. EXPRESSION OF APPRECIATION

I am grateful to the Executive Mayor, Members of the Executive Committee, Councillors, the Municipal Manager, Heads of Department and the staff of the Finance Department for their support and assistance in the preparation of these financial statements.

7. POST BALANCE SHEET EVENTS

No material matters in this regard can be reported.

MR. BL MAHLANGU
CHIEF FINANCIAL OFFICER

BALANCE SHEET
AS AT
30 JUNE 2008

	Note	30-06-2007	30-06-2008
		R	R
CAPITAL EMPLOYED:			
Funds & Reserves		12 619 764	13 087 659
Statutory funds	1	11 669 294	13 087 659
Reserves	2	950 470	-
(Accumulated Deficit) Unappropriated Surplus	11	19 483 637	17 851 680
		32 103 401	30 939 339
Long Term Liabilities	3	2 193 121	2 432 949
Consumer Deposits	9	988 959	1 035 223
		35 285 481	**34 407 511**
EMPLOYMENT OF CAPITAL:			
Fixed Assets	4	4 212 002	4 203 949
Current Assets	20	229 575	455 313
		4 441 577	4 659 262
NET CURRENT ASSETS:		30 843 904	29 748 249
Current Assets:		53 450 325	56 264 553
Debtors	6	51 145 827	55 424 240
Cash on hand		4 835	4 835
Short Term Investments	5	2 299 663	835 478
Bank Account		-	-
Current Liabilities:		(22 606 421)	(26 516 304)
Provisions	7	1 679 696	1 815 109
Short-term portion of Long Term Liabilities	3	989 281	741 401
Cashbook balance		1 744 371	3 610 907
Creditors	8	18 193 073	20 348 887
		35 285 481	**34 407 511**

INCOME STATEMENT
for the year ended
30 JUNE 2008

2006/07 ACTUAL INCOME	2006/07 ACTUAL EXPENDITURE	2006/07 SURPLUS/ (DEFICIT)		2007/08 ACTUAL INCOME	2007/08 ACTUAL EXPENDITURE	2007/08 SURPLUS/ (DEFICIT)	2007/08 BUDGET SURPLUS/ (DEFICIT)
R	R	R		R	R	R	R
35 515 995	36 762 247	(1 246 252)	**RATES & GENERAL SERVICES**	40 969 403	47 038 929	(6 069 526)	(7 278 297)
27 323 691	27 218 277	105 414	Community Services	33 156 439	36 325 936	(3 169 498)	(3 416 231)
397 078	3 372 131	(2 975 053)	Susidised Services	3 651 919	7 118 973	(3 467 053)	(4 399 972)
7 795 226	6 171 839	1 623 387	Economic Services	4 161 045	3 594 020	567 025	537 906
-	-	-	Housing Services	-	-	-	-
22 771 925	15 652 654	7 119 271	Trading Services	20 964 830	14 695 107	6 269 723	7 278 297
58 287 920	**52 414 901**	**5 873 019**	**TOTAL**	**61 934 233**	**61 734 036**	**200 197**	**0**
		(9 317 936)	**Appropriations for the year (refer to note 11)**			(1 832 154)	
		(3 444 917)	**Net Surplus for the year/ (Deficit for the year)**			**(1 631 957)**	
		22 928 554	**Unappropriated Surplus/ (Deficit) at the beginning of**			19 483 637	
		19 483 637	**Unappropriated Surplus/ (Deficit) at the end of the**			**17 851 679**	

CASHFLOW STATEMENT

for the year ended
30 JUNE 2008

		30-06-2007	30-06-2008
Cash retained from operations:		**(5 552 802)**	**2 716 418**
Cash generated by operations	**14**	(355 116)	4 845 712
Investment income	**10**	544 867	430 233
(Increase)/Decrease in operating capital	**15**	(5 696 730)	(2 076 334)
		(5 506 979)	**3 199 611**
Less:			
Interest paid	**10**	(45 823)	(483 193)
Cash Utilised in Investment Operations - Fixed Assets	**4**	(4 583 916)	(2 306 016)
		(10 136 718)	**410 402**
Cash effect of financing operations:			
Increase/(Decrease) in long term loans	**16**	3 145 521	(8 053)
(Increase)/Decrease in cash investments	**17**	8 215 336	1 464 185
(Increase)/Decrease in cash	**18**	(1 224 139)	(1 866 534)
		10 136 718	**(410 402)**

	30-06-2007	30-06-2008
1. ACCUMULATED FUNDS:		
Capital Development Fund	7 956 342	8 015 073
Land Trust Fund	3 712 952	5 072 586
(Refer Appendix A)	**11 669 294**	**13 087 659**
2. RESERVES		
Maintenance	709 699	0
MHR Fly Fishing Park	240 771	0
(Refer Appendix A)	**950 470**	**0**
3. LONG TERM LIABILITIES:		
Annuity Loans	0	0
Wesbank Loans	3 182 402	3 174 350
	3 182 402	**3 174 350**
Less: Short-term portion	989 281	741 401
	2 193 121	**2 432 949**
(Refer Appendix B)		
4. FIXED ASSETS:		
Fixed assets at the beginning of the year	88 049 865	96 820 415
Capital expenditure during the year	8 770 550	8 552 118
Contribution ex operating income	1 349 372	2 306 016
Funded through loans	3 234 544	559 100
General Capital-ward 2/District: Nkangala	4 186 634	5 687 002
Less:		
Assets written off, transferred or disposed of during the year	0	0
TOTAL FIXED ASSETS	**96 820 415**	**105 372 533**
Less:		
Loans redeemed and other capital receipts	(92 608 413)	-101 168 584
Unrealised housing charges	0	0
NET FIXED ASSETS	**4 212 002**	**4 203 949**
(Refer to Appendix C)		
5. SHORT TERM INVESTMENTS:		
Unlisted	0	0
External		
Inv FNB 62076419508		
Opening balance	263 007	263 007
Post Year Event	0	-80 650
Closing balance	263 007	182 357
Inv FNB 74006889065		
Opening balance as Financial Statements	45 091	1 810 230
Post Year Event	0	-6 010
Opening Balance as Bankstatement	0	1 804 220
Closing balance	1 810 230	104 653
Inv FNB 61165004600		
Opening balance	1 766 007	226 426
Closing balance	226 426	403 407
Inv FNB 62178430212		
Opening balance	0	0
Closing balance	0	145 061
TOTAL INVESTMENTS	**2 299 663**	**835 478**
Local Authorities are required to invest funds which are not immediately required with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at a penalty rate to meet commitments		
6. DEBTORS:		
Consumer Debtors	48 305 077	52 683 504
Sundry Debtors	3 971 135	1 950 878
Grants spent not yet received	7 175 827	5 506 497
Less: Provision for bad debts	(15 023 150)	-15 866 278
VAT	6 716 938	11 149 639
	51 145 827	**55 424 240**

7. PROVISIONS:

Leave	1 679 696	1 815 109
General Valuation	0	0
Election Costs	0	0
Audit Fees	0	0
	1 679 696	**1 815 109**

8. CREDITORS:

Trade Creditors:	2 518 867	0
Unspent Grants	4 283 612	3 120 640
Drought Relief	308 363	0
People's Housing Project	300 000	0
Dullstroom/Sakhelwe	1 144 707	0
LED: 147 Waterval Boven	9 294	0
LED: 089 Dullstroom	433 843	0
Informal Market: Mach	21 185	0
Siyathuthuka: Housing	867 178	0
LED: 091 Fly Fishing	540 149	0
Transional Grant 2	23 386	0
Municipal Support	211 532	0
Draught Relief Funds	306 648	0
Upgrading Emthonjeni	11 341	0
MIG Funds Expenses	0	2 816 796
Housing Project 2005	0	138 522
DME Funds 2007/2008	0	58 133
Highland Gate (New)	0	221
TMT: Project	0	106 968
Upgrading Siyathuthuka	105 985	0
Grants received in Advance	0	355 000
Debtors received in Advance	0	974 157
VAT	8 399 257	13 305 542
Unallocated receipts	2 094 781	2 468 565
Sundry	896 556	124 983
	18 193 073	**20 348 887**

9. CONSUMER DEPOSITS

Electricity & Water	988 959	1 035 223
Sundry Deposits	0	0
	988 959	**1 035 223**

10. FINANCING TRANSACTIONS:

Interest : Earned (External)	544 867	430 233
Interest : Paid (External)	(45 823)	-483 193
	499 044	**-52 960**

11. APPROPRIATIONS:

Appropriation Account:

Unappropriated Surplus at the beginning of the year	22 928 554	19 483 637
Operating Surplus/(Defecit) for the year	5 873 019	200 197
Prior year adjustment	(9 317 936)	-1 832 154
	19 483 637	**17 851 680**

12. COUNCILLORS REMUNERATION

Mayor's allowance	492 407	451 952
Full-time Councillors	1 138 473	1 258 039
Councillor's allowance	1 172 718	865 046
Councillor's Pension Fund Contributions	213 729	188 706
Total Including Back Pay :	**3 017 327**	**2 763 743**
Back Pay	544 144	**0**
Total Excluding Back Pay :	**2 473 183**	**2 763 743**

Actual increase equals 6%. Recommended increase of 6%.

13. REMUNERATION OF SECTION 57 EMPLOYEES

	Municipal Manager	Chief Finance Officer	Other Section 57 Managers
Salaries	269 071	220 141	707 321
Contributions to Pension, UIF and Medical Aid Funds	80 663	49 926	176 388
Motor and Travelling allowances	152 749	138 445	345 047
Other Allowances	0	30 000	123 580
	502 483	**438 512**	**1 352 336**

14. CASH GENERATED BY OPERATIONS:

Surplus / (Deficit) for the year	**5 873 019**	**200 197**
Adjusted for:		
Statutory funds provisions and reserves	(1 192 420)	5 581 581
Contributions to bad debt provision	4 781 265	843 129
Interest income	(544 867)	-430 233
Prior year adjustment	(9 317 936)	-1 832 154
Interest paid	45 823	483 193

	(355 116)	4 845 712

15. Operating surplus before working capital changes		
(Increase) / Decrease in Debtors	(13 884 300)	-4 278 413
(Increase) / Decrease in other Debtors	0	0
(Decrease) / Increase in conditional grants and receipts	0	0
(Decrease) /Increase in Deposits	31 741	46 264
(Decrease) /Increase in Creditors	8 155 829	2 155 814
	(5 696 730)	**-2 076 334**
Cash Generated by Operations	**(6 051 845)**	**2 769 380**
16. INCREASE/(DECREASE) IN LONG TERM LOANS (EXTERNAL):		
Loans Raised	3 234 543	559 100
Loans Repaid	(89 022)	-567 153
(Refer to Appendix B)	**3 145 521**	**-8 053**
17. (INCREASE)/DECREASE IN EXTERNAL CASH INVESTMENTS:		
Investments Made	8 215 336	1 464 185
	8 215 336	**1 464 185**
18. (INCREASE)/DECREASE IN CASH:		
Cash balance at the beginning of the year	(520 232)	-1 744 371
Less: Cash balance at the end of the year	(1 744 371)	-3 610 906
	1 224 139	**1 866 535**
19. CAPITAL DEVELOPMENT FUND		
Outstanding advances to borrowing services:-		
Accumulated Fund	7 956 342	8 015 073
Less: External Investments	(6 383 855)	-6 442 586
	1 572 487	**1 572 487**
(Refer to Appendix A and B for more detail)		
20. SHORT TERM ASSETS		
Current Stock	229 575	455 313
	229 575	**455 313**
21. BANK CASH AND OVERDRAFT BALANCES		
Cheque account (Primary Bank Account)		
First National Bank - Belfast		
Account nr: 62028195510		
Opening balance cashbook at the beginning of the year	(520 232)	-1 744 371
Closing balance cashbook at the end of the year	**(1 744 371)**	**-4 486 970**
System rollover on cashbook	-	876 063
Nett effect: Closing balance cashbook at the end of the year	**(1 744 371)**	**-3 610 906**
Bank Statement balance at beginning of the year	235 186	339 494
Bank Statement balance at the end of the year	**339 494**	**262 576**
PETTY CASH		
Balance at beginning of the year	4 660	4 835
Balance at the end of the year	**4 835**	**4 835**
22. SUMMARY OF DEBTORS BY CUSTOMER CLASSIFICATION		
Current	2 144 868	2 476 183
30 days	(1 260 647)	1 407 216
60 days	2 234 057	201 515
90 days	1 162 128	983 864
120 days	1 012 332	956 564
150 days and over	43 014 537	45 642 603
Total Consumer debtors	**48 307 275**	**51 667 944**
23. GOVERNMENT GRANTS AND SUBSIDIES		
Municipal Systems Information Grant (MSIG)	734 000	734 000
Financial Management Grant (FMG)	500 000	1 500 000
National Energy Regulator Grant (NER)/(DME)	3 000 000	3 638 693
Municipal Infrastructor Grant (MIG)	3 552 128	5 657 698
Total Grants received excluding Equitable Share	**7 786 128**	**11 530 391**
24. ADITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
AUDIT FEES		
Opening balance	1 345 293	0
Current year	(1 345 293)	705 840
Amount paid current year	0	-705 840
Amount paid previous year	0	0
Total	**0**	**0**

TAXES, LEVIES, DUTIES, PENSION AND MEDICAL AID CONTRIBUTION
No amounts oustanding can be reported of on 30 June 2007.

CONTIGENT LIABILITY
No contigent liabilities can be reported on 30 June 2007.

CAPITAL COMMITMENTS
No capital commitments can be reported on 30 June 2007.

25. IRREGULAR EXPENDITURE

The following penalty charges and Fruitless Expenditure occurred within this financial year.

Penalty Charges: Penalties paid on Investment Account for eary releases	5 786
Fruitless Expenditure: Interest paid on late payments made	1 954

Total:	**7 740**

APPENDIX A

EMAKHAZENI LOCAL MUNICIPALITY
ACCUMULATED FUNDS, RESERVES, PROVISIONS & TRUST FUNDS
30 JUNE 2008

	BALANCE AT 2007-06-30	CONTRIBU-TIONS DURING THE YEAR	INTEREST ON INVESTMENT	OTHER INCOME	OPERATING EXPENDITURE DURING THE YEAR	CAPITAL EXPENDITURE DURING THE YEAR	BALANCE AT 2008-06-30
	R	R	R	R	R	R	R
1. **Statutory Funds**							
Capital Development Fund	7 956 342	58 731	0	0	0	0	8 015 073
Land Trust Fund	3 712 952	0	0	1 359 634	0	0	5 072 586
							13 087 659
Reserve Funds							
Maintenance Electricity	83 025	0	0	0	83 025	0	0
Maintenance Water	283 821	0	0	0	283 821	0	0
Maintenance Sewerage	142 901	0	0	0	142 901	0	0
Maintenance General	199 952	0	0	0	199 952	0	0
MHR Fly Fishing Park	240 771	0	0	0	240 771	0	0
Provisions							**0**
Provision for Bad Debts	15 023 150	843 129	0	0	0	0	15 866 279
Provision for Leave Pay	1 679 696	378 931	0	0	243 518	0	1 815 109
							17 681 389
Sub-Total	**29 322 610**	**1 280 791**	**0**	**1359634**	**1 193 988**	**0**	**30 769 048**

APPENDIX B

EMAKHAZENI LOCAL MUNICIPALITY
EXTERNAL LOANS AND INTERNAL ADVANCES
30 JUNE 2008

Date Issued	Current Fin. Institution	Interest Rate	Original Amount	Maturity / Redeemable	Balance at 30 June 2007	Received during the year	Redeemed or Written off during the year	Balance at 30 June 2008
External Loans					**R**	**R**	**R**	**R**
03 May 2007	WESBANK: POB00041A	12.50	151 500.00	02 May 2012	170 623	0	26 214.30	144 408.74
04 May 2007	WESBANK: POB00042X	12.50	151 500.00	03 May 2012	170 624	0	26 151.00	144 473.28
16 April 2007	WESBANK: POB00034X	12.50	450 000.00	10 April 2012	500 394	0	77 205.25	423 188.88
16 April 2007	WESBANK: POB00033A	12.50	450 000.00	10 April 2012	500 394	0	77 205.25	423 188.88
16 April 2007	WESBANK: POB00032B	12.50	338 000.00	10 April 2012	375 861	0	58 098.00	317 762.59
16 April 2007	WESBANK: POB00031E	12.50	338 000.00	10 April 2012	375 861	0	58 098.00	317 762.59
18 June 2007	WESBANK: POB00060T	12.50	559 100.00	10 June 2012	637 374	0	93 692.43	543 681.57
17 May 2007	WESBANK: POB00046L	12.50	614 789.00	10 May 2012	692 271	0	104 107.89	588 163.46
04 May 2007	WESBANK:POB00044T	12.50	90 827.00	03 May 2012	102 279	0	15 884.58	86 394.43
04 May 2007	WESBANK: P0B00045S	12.50	90 827.00	03 May 2012	102 279	0	15 884.58	86 394.43
18 June 2007	WESBANK: POB00059B	12.50	559 100.00	10 June 2012	0	637 374	94 013.10	543 360.90
Total Vat inclusive:					**3 627 960**	**637 374**	**646 554**	**3 618 780**
VAT					**445 557**	**78 274**	**79 401**	**444 430**
Total Vat exclusive:					**3 182 403**	**559 100**	**567 153**	**3 174 350**
Internal Advances:								
CAPITAL DEVELOPMENT FUND								
-Main Substation					210 978	-	12 762	198 216
-Upgrade Pool Tanker					(5 166)	-	-	(5 166)
-Nissan LAW					-	-	-	-
- Upgrade Electrical Network					6 174	-	4 712	1 462
-Tractor (FORD)					9 852	-	7 520	2 332
D. ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE					(838)	-	-	(838)
YEAR ENDED 30 JUNE 2005					6 066	-	4 629	1 437
- Backactor (TLB)					3 841	-	2 932	909
E. DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2005					9 099	-	6 944	2 155
-Trailor					2 829	-	2 161	668
- Massey Furgeson Tractor					10 108	-	7 716	2 392
- Massey Furgeson Tractor					9 502	-	7 253	2 249
-Nissan LAW					-	-	-	-
- Shed					133 505	-	4 298	129 207
- Hydrolic Lift					743	-	743	-

APPENDIX B

- Tar Joubert Street	63 304	-	7 504	55 800
- Equipment - Parks	307 200	-	38 400	268 800
- Equipment - Cleansing	359 712	-	44 964	314 748
- Equipment - Electricity	287 913	-	35 989	251 924
- Vehicle - Mayor	158 800	-	19 850	138 950
- Vehicle - Traffic	80 536	-	10 066	70 470
- Equipment - Public Works	179 624	-	22 452	157 172
Land Trust Fund	-		-	
-Tourism Fase 1 & 2	(20 400)	-	-	(20 400)
	1 813 382	**-**	**240 895**	**1 572 487**

APPENDIX C

EMAKHAZENI LOCAL MUNICIPALITY
ANALYSIS OF FIXED ASSETS
30 JUNE 2008

Expenditure 2007	SERVICE	Budget 2007/2008	Balance at 30-06-2007	Expenditure 2007/2008	Written off, transferred or disposed of during the year	Balance at 30-06-2008
5 772 540	**RATES & GENERAL SERVICES:**	**5 104 132**	**62 233 545**	**5 635 625**	**0**	**67 869 169**
4 331 234	**COMMUNITY SERVICES:**	4 765 208	33 448 784	3 624 205	0	37 072 989
-	Assessment	0	0	0	0	0
1 286	Health Services	0	107 084	0	0	107 084
-	Forestry	0	12 500	0	0	12 500
303 000	Public Works	213 695	21 236 953	0	0	21 236 953
51 562	Management Services/Administration	0	391 300	0	0	391 300
1 119 806	Council's General	4 170 000	6 542 774	2 071 990	0	8 614 763
925 971	Planning, Environment & Housing	48 114	1 364 415	1 417 417	0	2 781 832
1 775 436	Economic and Social Services	176 400	1 793 004	12 985	0	1 805 989
62 441	Municipal Manager	55 000	185 915	33 340	0	219 255
91 732	Finances/Treasurer	102 000	624 640	88 473	0	713 112
-	Town Clerk	0	480	0	0	480
-	Town Estate	0	628 034	0	0	628 034
-	Workshop	0	368 805	0	0	368 805
-	Cemetery	0	190 972	0	0	190 972
-	Registration Authority	0	0	0	0	0
-	Stores	0	1 908	0	0	1 908
140 498	**SUBSIDIZED SERVICES:**	143 000	8 089 678	19 058	0	8 108 736
-	Market	0	451 116	0	0	451 116
-	Library	0	42 118	0	0	42 118
-	Fire Protection	0	15 777	0	0	15 777
140 498	Traffic	18 000	413 230	14 809	0	428 039
-	Civil Building	120 000	4 379 647	0	0	4 379 647
-	Abbatoir	0	0	0	0	0
-	Sport & Recreation	0	2 528 069	0	0	2 528 069
-	Parks & Pavements	5 000	194 874	4 249	0	199 123
-	Swimming Pool	0	64 847	0	0	64 847

APPENDIX C

Expenditure 2007	SERVICE	Budget 2007/2008	Balance at 30-06-2006	Expenditure 2006/2007	Written off, transferred or disposed of during the year	Balance at 30-06-2006
1 300 808	**ECONOMICAL SERVICES:**	**195 924**	**20 695 083**	**1 992 361**	**0**	**22 687 445**
559 100	Cleansing	170 856	943 578	258 330	0	1 201 908
-	Licencing	0	0	0	0	0
-	Holiday Resort	0	0	0	0	0
741 708	Sewerage	25 068	19 751 505	1 734 032	0	21 485 536
2 998 010	**TRADING SERVICES:**	**423 185**	**34 586 870**	**2 916 494**	**0**	**37 503 364**
	Electricity	0	15 886 823	377 028	0	16 263 851
2 998 010	Water	423 185	18 700 047	2 539 467	0	21 239 513
-	**HOUSING:**	**0**	**0**	**0**	**0**	**0**
-	Housing	0	0	0	0	0
8 770 550	**TOTAL FIXED ASSETS**	**5 527 317**	**96 820 415**	**8 552 119**	**0**	**105 372 533**
	LOANS REDEEMED AND OTHER CAPITAL		**92 608 413**	**8 560 171**	**0**	**101 168 584**
	RECEIPTS:					
			92 608 413	**8 560 171**	**0**	**101 168 584**
	Loans redeemed & Advances		3 191 333	567 153	0	3 758 486
	Contribution ex operating income		11 217 748	2 306 016	0	13 523 764
	General Capital-ward 2/District: Nkangala		4 292 191	5 687 002	0	9 979 193
	General Capital		68 369 857	0	0	68 369 857
	Donations		5 537 284	0	0	5 537 284
						0
	NET FIXED ASSETS		**4 212 002**	**-8 051**	**0**	**4 203 949**

APPENDIX D

EMAKHAZENI LOCAL MUNICIPALITY
ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED
30 JUNE 2008

2007 ACTUAL R		2008 ACTUAL R	2008 BUDGET R
	INCOME		
18 829 178	Grants and subsidies	15 960 545	15 961 000
6 515 808	Assessment Rates	10 272 274	8 514 128
12 899 888	Sale of Electricity	13 866 973	16 076 395
6 507 489	Sale of Water	6 875 767	6 322 833
3 646 228	Refuse Removal Services	3 433 399	3 432 447
4 102 779	Sewerage Services	4 145 246	4 013 668
5 786 550	Other Income	7 380 029	18 506 575
58 287 920		**61 934 233**	**72 827 046**
	EXPENDITURE		
23 227 672	Wages and allowances	25 899 386	26 136 155
24 787 189	**General Expenses:**	28 277 612	34 614 109
-	* Bulk water purchases	-	-
6 999 134	* Bulk electricity purchases	8 060 486	8 987 348
17 788 055	* Other general expenses	20 217 126	25 626 761
-	General Expenses not classified	-	-
3 004 845	Repairs and maintenance	4 200 676	6 092 611
45 823	Capital Charges	1 050 346	1 137 771
1 349 372	Contributions to Fixed Assets	2 306 016	4 846 400
-	Contributions to Funds	-	-
52 414 901	**Gross Expenditure**	**61 734 036**	**72 827 046**
-	Less: Amounts charged out	-	-
52 414 901	**Net Expenditure**	**61 734 036**	**72 827 046**

APPENDIX E

EMAKHAZENI LOCAL MUNICIPALITY
DETAILED INCOME STATEMENT
for the year ended
30 JUNE 2008

2007 ACTUAL INCOME R	2007 ACTUAL EXPENDITURE R	(DEFICIT) R		2007/08 ACTUAL INCOME R	2007/08 ACTUAL EXPENDITURE R	2007/08 SURPLUS/ (DEFICIT) R	2007/08 BUDGET SURPLUS/ (DEFICIT) R
35 515 995	**36 762 247**	**(1 246 252)**	**RATES & GENERAL SERVICES**	**40 969 403**	**47 038 929**	**(6 069 526)**	**(7 278 297)**
27 323 691	**27 218 277**	**105 414**	**COMMUNITY SERVICES**	**33 156 439**	**36 325 936**	**(3 169 498)**	**(3 416 231)**
6 515 808	-	6 515 808	Assessment Rates	10 272 274	0	10 272 274	8 514 128
26 222	175 670	(149 448)	Cemetry	39 580	186 009	(146 429)	(166 717)
-	67 620	(67 620)	Forestry	280 000	418	279 582	(293 817)
5 626	616 518	(610 892)	Social Development	10 916	1 813 625	(1 802 709)	(2 282 466)
427 000	1 629 268	(1 202 268)	Health Services	73	1 477 235	(1 477 161)	(1 208 708)
2 818 068	5 172 448	(2 354 380)	Public Works	128 322	4 513 577	(4 385 255)	(4 360 655)
-	254 547	(254 547)	Urban Development	1 461 198	462 584	998 614	3 169 237
417 193	6 030 905	(5 613 712)	Council's General *	851 429	6 811 828	(5 960 399)	(6 201 689)
-	2 998 116	(2 998 116)	Administration / Management Services	-	4 116 901	(4 116 901)	(4 986 833)
13 124 540	3 143 828	9 980 712	Municipal Manager	15 396 545	3 861 500	11 535 045	11 045 134
651 256	4 309 792	(3 658 535)	Finance / Treasurer Finance	510 783	6 404 358	(5 893 575)	(4 346 790)
3 337 978	2 479 578	858 400	Traffic & Licencing	4 205 319	4 036 705	168 614	476 515
-	339 461	(339 461)	Workshop	0	304 262	(304 262)	(280 563)
-	-	-	Town Secretary	0	0	0	0
-	525	(525)	Stores	0	2 336 934	(2 336 934)	(2 493 007)
					-		
397 078	**3 372 131**	**(2 760 672)**	**SUBSIDISED SERVICES**	**3 651 919**	**7 118 973**	**(3 467 053)**	**(4 399 972)**
0	0	0		0	0	0	0
14 351	320 712	(306 361)	Library	13 873	357 409	(343 536)	(343 239)
30 860	175 948	(145 088)	Parks Chalets	40 213	134 538	(94 325)	(124 162)
3 647 278	3 287 809	359 469	Cleansing Service	3 468 470	3 733 364	(264 894)	(977 087)
0	193 420	(193 420)	Fire Services	431	240 601	(240 170)	(416 754)
381 459	601 336	(219 877)	Civil Buildings	128 279	36 266	92 013	103 140
165	17 717	(17 552)	Swimming Pool	79	9 848	(9 769)	(12 680)
1 103	2 238 947	(2 237 844)	Parks & Pavements & Grounds	574	2 606 947	(2 606 373)	(2 629 190)

APPENDIX E

2006 ACTUAL INCOME R	2006 ACTUAL EXPENDITURE R	2006 SURPLUS/ (DEFICIT) R		2007 ACTUAL INCOME R	2007 ACTUAL EXPENDITURE R	2007 SURPLUS/ (DEFICIT) R	2007 BUDGET SURPLUS/ (DEFICIT) R
7 795 226	**6 171 839**	**1 409 006**	**ECONOMICAL SERVICES**	**4 161 045**	**3 594 020**	**567 025**	**537 906**
4 117 088	2 708 082	1 409 006	Sewerage	4 161 045	3 594 020	567 025	537 906
-	**-**	**-**	**HOUSING SERVICES**	**0**	**0**	**0**	**0**
-	-	-	Housing	0	0	0	0
22 771 925	**15 652 654**	**7 119 271**	**TRADING SERVICES**	**20 964 830**	**14 695 107**	**6 269 723**	**7 278 297**
16 172 511	12 536 711	3 635 799	Electricity	14 049 164	11 145 430	2 903 734	4 500 660
6 599 414	3 115 943	3 483 471	Water	6 915 666	3 549 678	3 365 989	2 777 637
58 287 920	**52 414 901**	**5 873 019**	**TOTAL**	**61 934 233**	**61 734 036**	**200 197**	**0**
		(9 317 936)	Appropriations for the year			(1 832 154)	
		(3 444 917)	Net Surplus / (Deficit) for the year			**(1 631 957)**	
		22 928 554	Unappropriated Surplus / (Deficit) at the beginning of the year			19 483 637	
		19 483 637	Unappropriated Surplus / (Deficit) at the end of the year			**17 851 679**	

EMAKHAZENI LOCAL MUNICIPALITY
for the year ended
30 JUNE 2008

APPENDIX F

STATISTICAL INFORMATION	2007	2008
ELECTRICITY		
Number of consumers (Commercial & Residential)	7 806	8 006
Units bought (''000 kWh) per annum	39 403 861	43 731 811
Cost per unit bought ®	0.23c	0.21c
Units generated by municipality ('000 kWh) per annum	0	0
Cost per unit generated ®	0	0
Units sold	22 701 897	22 702 509
Cost per unit sold	0.57c	0.57c
Units lost in distribution ('000 kWh) per annum	0	0
Units distributed as a free basic service ('000 kWh) per annum	677 240	2 368 080
Number of pre-paid meters installed	5 443	6 449
WATER		
Number of consumers (Commercial & Residential)	10 750	10 773
Units sold	3 897 093	3 079 024
Cost per kl sold	R 1.66	R 2.71
Units distributed as a free basic service kl per annum	771 870	686 649
SEWERAGE AND SANITATION		
Number of consumers	11 601	11 630
Flush toilets connected to a public sewerage system	9 249	9 294
GENERAL STATISTICS		
Population	46 512	47 907
Surface area in hectares	52 730	52 730
Valuation of taxable and non-taxable property		
Number of employees	291	296